

Message Text

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46

ACTION ARA-20

INFO OCT-01 DRC-01 ISO-00 L-03 SSO-00 NSCE-00 SPC-03

AID-20 EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15

STR-08 OMB-01 CEA-02 COME-00 OPIC-12 PRS-01 /111 W

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O P 251627Z SEP 73

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 7155

INFO AMEMBASSY NAIROBI PRIORITY

LIMITED OFFICIAL USE LIMA 7057

E.O. 11652: N/A

TAGS: BDIS, EMIN, EIND, PE

SUBJECT: CERRO PRESS RELEASE OF SEPTEMBER 24, 1973

REF: STATE 5546

NAIROBI FOR PETER FLANIGAN AND JOHN HENNESSY

1. MURPHY AND WALSH PHONED ME THIS AM TO PROVIDE LATEST INFO ON THEIR DECISION AND TO GET LOCAL REACTION. I TOLD THEM LA PRENSA HAD PUBLISHED TONED DOWN VERSION OF NEW YORK PRESS STATEMENT BUT THAT AFP STORY HAD USED SOME OF THEIR STRONGER LANGUAGE. THERE WAS NO MENTION OF "BAD FAITH" OR OF ITEM ON LIMA HOUSING (PARA 10 STATE 189587). MURPHY SAID DEPARTMENT REPS WITH WHOM HE AND WALSH TALKED YESTERDAY HAD NOT BEEN TOO HAPPY WITH CERRO'S PROPOSED ACTION, BUT THAT WHITE HOUSE CONTACTS MORE RECEPTIVE. I SAID I WAS SURE STATE'S REACTION AT LEAST PARTIALLY BASED ON UNFORTUNATE TIMING VIS-A-VIS GREENE VISIT. MURPHY THEN SAID THEY HAD NO CHOICE IN VIEW GOP DEMAND FOR \$11 MILLION LETTER OF CREDIT (NOT 8 AS REPORTED MY 7021) AND CERRO'S OUTSTANDING CHECK FOR \$3.5 MILLION.

2. WALSH SAID THEY HAD DECIDED INCUR NO MORE DEMURRAGE ON VESSELS IN CALLAO AND THEY WOULD BE "LET GO" TODAY. CERRO HERE CONFIRMS.

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MURPHY ADDED THAT ALL CERRO CORP. SUPPLY SHIPMENTS TO PERU NOW

ON CASH IN ADVANCE BASIS.

3. WE EXPECT STRONG PUBLIC REACTION FROM GOVERNMENT AFTER TODAY'S COUNCIL OF MINISTERS MEETING. WHETHER THIS INCLUDES SOME IMMEDIATE AND DIRECT ACTION AGAINST COMPANY IS OPEN TO QUESTION IN VIEW MEETINGS SCHEDULED TOMORROW TO DISCUSS OVERALL INVESTMENT PROBLEMS.

BELCHER

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PRESS COMMENTS, MINING INDUSTRY
Control Number: n/a
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Draft Date: 25 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Original Handling Restrictions: n/a
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30 JUN 2005

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Type: TE
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